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# REPORT

OF THE

INVESTIGATING COMMITTEE

OF THE

# Bank of Mutual Redemption.

APPOINTED BY THE STOCKHOLDERS AT THEIR  
ANNUAL MEETING OCTOBER 31st, 1862.

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BUREAU OF INVESTIGATION

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At the Stockholders' meeting held on 5th December, 1862,  
after the reading of the committee's report, it was voted, that  
the report be re-committed to the committee, for revision and  
printing.

# R E P O R T.

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## P R E A M B L E .

Your committee, appointed at the annual meeting of the stockholders of the Bank of Mutual Redemption, October 31, 1862, to report to this adjourned meeting any facts they deem necessary, and also a list of names for officers, respectfully report, that they entered upon the work with a sole desire to serve the interests of the Banks they represented. In taking the testimony of the officers of the bank, upon the matters under examination, they have endeavored to reconcile slight differences of statement, and present the substance, as fairly and clearly as possible. Where an absolute, and irreconcilable difference of statement occurs, they have so stated, generally giving their own views of the probable correctness of one, or the other statement. They have endeavored to act justly, and to arrive at conclusions, from a consideration of the facts, or supposed facts presented to them, only. Representing six different States, and entering upon the work with views of the previous conduct of the bank widely dissimilar, they deem it no less remarkable than satisfactory that their conclusions upon every subject have nearly exactly coincided, and that every vote taken, or expression of opinion made, has been entirely unanimous from the beginning.

They have entered into a somewhat full examination of the condition of the bank, and its management, have considered some changes of organization, the relations of its officers with their duties, and with each other, and have prepared a statement of some facts illustrative of its general administration. They have also suggested the propriety of making certain changes in the charter of the bank, and in the stockholders' by-laws.

## STATE OF THE BANK.

The state of the Bank was, on the 20th of November, 1862, (the day the examination commenced,) as follows:

ASSETS.	LIABILITIES.
Loan to U. States \$2,003,000 00	Capital Stock, \$561,700 00
Notes Discounted, 1,100,536 53	Dividends, 20 00
Suspense account, 672 71	Due Banks, 2,968,222 56
U. S. Mint, 200 00	Perm. Deposits, 76,500 00
Due from Park Bank, 80,700 92	Defd. Deposits, 32,834 03
National Bank, 75,359 83	Discount, 2,403 13
Girard Bank, 174 75	Interest, 16,437 76
Other Banks, 42,343 63	Exchange, 949 08
Collection account, 153 67	Asst'g and Counting, 87 27
Boston Bills & Ch'ks, 103,534 36	Profit and Loss, 12,233 99
Foreign Bills, 324,074 00	Circulation, 118,800 00
Expense, 6,458 84	Deposits, 46,107 54
Foreign Money Dep. 119 49	
Specie, 98,966 63	
<u>\$3,836,295 36</u>	<u>\$3,836,295 36</u>

After a careful and thorough examination into the securities held by the Bank, we have made the following estimate of its condition, so far as relates to profit and loss:

Apparent surplus Sept. 30, 1862, . . . . .	\$14,291 21
Received since on account N. Sturtevant	
& Co., previously charged to P. & L. 300 00	<u>                </u> 14,591 21
Deduct paper since charged P. & L.... 3,129 68	
Deduct Rent, State Tax, &c., due Oct. 1st	
and since paid..... 3,885 50 7,015 18	<u>                </u>
Apparent balance of profits on day of examination, 7,576 03	
To this should be added the estimated accrued interest on government securities, . . . . . 25,399 55	<u>                </u>
	<u>                </u> \$32,975 58

On the other hand we estimate the losses	
on suspended paper, . . . . . 74,070 62	
On the claim against the Sanford Bank,	
Maine, . . . . . 5,986 28	
Losses in Tellers cash, . . . . . 2,000 00	
Amount required to re-discount the loan of	
the bank, . . . . . 9,380 77	
Total, . . . . . 91,437 67	
Deduct apparent profit as above, . . . . . 32,975 58	<u>                </u>
Probable deficit, . . . . .	<u>                </u> \$58,462 09

Since the organization of the bank, it appears that

there has been paid in dividends,.....	\$33,702 00
For interest paid to Banks to Dec. 1, 1862,.....	83,008 14
For expenses, (including the above item of \$83,008 14 paid to Banks,) .....	\$193,569 83

While there has been charged for losses in the foreign

money department, including loss by the Warwick Bank,.....	27,682 84
Losses in loans,.....	57,553 12

Total of losses already charged,....	85,235 96
If to this we add our estimate of losses not charged,	82,056 90

We have a total of losses made during the four years

o the existence of the Bank,.....	\$167,292 86
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Or nearly 30 per cent of the capital stock.

#### STOCKHOLDING BANKS.

There are 159 stockholding banks, 143 of whom are out of Boston, and 46 keep their accounts elsewhere.

There has been no increase, but on the whole a decrease in the number of banks doing business with your bank, since its establishment, which we regard as satisfactory evidence of the unpopularity of the management.

#### FOREIGN MONEY DEPARTMENT.

The foreign money department received our earliest attention. We found thirty-six employees, exclusive of Mr. Blanchard, the nominal head. Six of them, including Mr. Bradbury, the superintendent, have been in the bank from its commencement—five since 1859, four since 1860, two since 1861, while nineteen have been employed since July 15th, 1862. The salaries in this department are \$900 to Mr. Bradbury, one at \$800, three at \$600, six at \$450, and twenty-five at \$300 per annum, beside occasional moderate gratuities, the aggregate being about \$14,000.

It appears that the employment of so large a number of inexperienced hands, occasions unusual losses and great inconvenience in this department, the present average loss *by bad money* being about \$90 a month, against a previous average of \$15 a month, the total losses averaging about \$200 per month.

The great number of recent resignations, requiring the substitution of inexperienced persons, is attributable to a variety of causes: to promotion to higher salaries in the Home Department of the bank, to enlistments in the volunteer army of the United States, but mainly it is believed to the absence of a liberal policy on the part of the bank, whereby the services of tried and trustworthy employees might be retained at a moderate increase of salary. The whole number of resignations up to Nov. 22d, 1862, is seventy-two, sixteen of whom were promoted to the Home Department.

It appears that men are taken from the "Foreign Money" to serve in the "Home" department, seriously regarding the business on Tuesdays and Fridays, but not materially on other days. This has been especially true, since the expulsion of the Bank from the Clearing House, since which time a clerk on a salary of \$400, and giving no bonds, (belonging to the Home Department,) receives, opens, separates, and sends to this department the larger proportion of the packages from other banks, amounting to hundreds of thousands of dollars daily, as also the return packages from the Foreign Money Department for delivery to expresses. Meanwhile Mr. Blanchard, whose bonds are given for the safe custody of these very packages, and whose especial province it is to receive and dispatch them, is engaged in attending to the wholly unnecessary business of clearing from bank to bank.

The business of this department is usually closed from 5 to 7 o'clock—rarely as early as 5, and not unfrequently from 9 to 10½ o'clock. These late hours render it impossible to make a recount for the purpose of discovering an error, without employing the hands far into the night, and incapacitating them for work on the following day. It is the opinion of the committee that a method could readily be devised for simplifying the business of this department, so that the work could be finished at a much earlier hour.

There appears to be no responsible head for this most important department at present. The nominal head, who gives bonds, is engaged in another department; the superintendent gives no bond.

It appears that the President is not in the habit of conferring with the superintendent, or the nominal "head" of the department, nor do those officers advise with each other concerning its internal arrangement or general management; that the nominal head does not consider himself responsible for losses, except such as occur at his desk in the Home Department, and during his presence. The loss of a package of \$1700 from his desk recently, occurred when his clerk was in charge.

Your committee were astonished at the apparent want of organization in this department, and feel assured that a very large proportion of the enormous losses which have occurred could have been prevented by precautions which would suggest themselves to the most casual observer.

#### CLEARING HOUSE.

Your committee regard the absence of this bank from the Clearing House, to be a serious disadvantage. One important advantage of that system is thus stated by your President, in his letter of July 28th, 1858. "The object of the Clearing House will be \* \* measurably defeated by the exclusion of any one (bank) in good standing. Now any bank excluded will have to make thirty-seven exchanges instead of one, and each of the thirty-seven banks will have to make two instead of one. The exclusion of a good bank, therefore, can do no good to the rest, will make them some additional trouble, and they will not get what they supposed they bargained for, when they established this labor saving, and trouble saving machine."

While a member of that institution, one man was employed in effecting exchanges for one and one-half hours. It now requires the services of from five to eight clerks, from nine A. M. to 1 P. M. daily. The risk of loss is immeasurably greater in consequence of the number of men entrusted with packages of money, one clerk not under bonds taking \$50,000 daily into the street for exchange. This arrangement involves great loss of time and confusion in the bank itself.

Application has recently been made to have the vote expelling

the bank, reconsidered, which failed, and we are assured that the bank will not be permitted to return, while under the present presidential management.

#### ANTICIPATING PAYMENTS ON PAPER.

It appears that money has been paid out, on the verbal order of the president, a day before the paper on which such payment was made, was come into possession of the bank.

This statement was made at the annual meeting, and appears to be sustained, though it does not appear that any loss has occurred to the bank, in consequence of this practice.

#### LOWELL SAVINGS INSTITUTION.

Your committee find that the Lowell Institution for Savings, of which your President is the Treasurer, has had a deposit since July 7th, 1859, at five per cent., until July 1, 1862, when the rate was changed to four per cent. on the entire balance, while stockholding banks were receiving considerably less than three per cent. on their average deposits, and while the Bank of Mutual Redemption was receiving on its heavy New York balances but four per cent., and since July 1st but three per cent. Your President positively testified that this arrangement was authorized by the directors. Every member of the board, on the other hand, was confident that the matter had never been brought to their knowledge. A member of the standing committee did, however, understand that a temporary loan was made for the purpose of taking another, at a higher rate of interest, but supposed that the arrangement terminated with the payment of the loan made by the bank, and now for the first time learned that it had been continued to the present date. The President subsequently modified his testimony, stating that the standing committee were his advisers in making the arrangement, but that all the directors were informed of it. The amount of this deposit has been subject to great and sudden, though not frequent fluctuations, varying in amount from \$8,000 to \$152,000, and the total amount of interest paid thereon to November 15th, 1862, is \$16,944 39, being nearly \$7000 more than would have been paid to several stock-

holding banks, for the same deposit, and \$14,452 14 more than a single stockholding bank would have received.

#### DEFICIT IN SPECIE.

Section 9 of the charter of the bank reads, "said bank shall always show in its weekly returns at least ten per cent. of its capital stock paid in, in current gold or silver coin, and it shall be the duty of the bank commissioners, should said bank violate this provision, to apply to the nearest Judge of the Supreme Judicial Court for an injunction on said bank.

From December, 1860, to November, 1861, a period of forty-one weeks the bank violated this provision of its charter, and was continually liable to injunction, closing on several occasions with less than \$10,000, and on one occasion with \$7,814 of specie in its vaults. This deficiency continued contrary to the wishes and direction of the standing committee, and until the directors passed a vote requiring the president to keep not less than \$100,000 on hand.

The President has sole control of the movement of specie, and his explanation is that though previously familiar with this provision of the charter, it had completely escaped his recollection for the period referred to, and until his attention was called to the fact by the bank commissioners.

#### SPECIE LOANS.

Loans of specie have recently been made to at least one country bank, appearing as its property during four days of the week, and that of the Bank of Mutual Redemption for the other two business days, thus enabling both banks to include the same specie in their returns. The gold did not in the case alluded to, leave the vaults of this bank.

Your committee regard this practice as reprehensible, and consider that statements based upon such partial ownership, a fraud upon the public, and an evasion of the law. The decision of Judge Bigelow in regard to this practice is so recent and so fresh in the mind of the President of this bank, that it is quite impossible that it should have been overlooked or forgotten.

The President attempted to justify this practice, maintaining that it is in accordance with the principles of sound banking.

## CUSTODY OF BILLS.

Section 14 of Directors' By-Laws place "all bills, not needed for the business of the day, in the custody of the cashier," who is consequently responsible for all such bills. No bills are, or have been in his custody except for signing, but all, including mutilated, remain in the teller's cash until destroyed.

## MUTILATED BILLS DESTROYED.

On the 24th day of September, 1862, the standing committee, consisting of three directors with the President, were authorized to burn the mutilated bills of the bank. On the 13th of October, one-half of this committee, to wit; the President and one director, without the presence or knowledge of the cashier, who was the only legal custodian, destroyed by burning, \$81,000 of the mutilated bills of the bank. In justice to the board of directors, it is proper to state that when this extraordinary proceeding was brought to their knowledge, they unanimously expressed their disapproval.

## CUSTODY OF SECURITIES.

The custody of nearly three millions of securities, more than one-third of which is in government stocks, payable to bearer, is intrusted to the discount clerk, whose salary is \$1000, and whose bonds are \$8000. This experienced, and your committee believe, able and trustworthy officer, does not regard himself as responsible for the custody of this immense sum, nor does the cashier except when locked in his vault at night.

## BORROWING AND LENDING.

It appears that your bank is a constant and enormous borrower on the street, caused, it is believed, by the habit of lending largely and closely, without regard to impending debtor balances.

While it is undoubtedly necessary for any bank organized as this is, to borrow, to meet inevitable losses in clearing, yet your committee regard the habitual borrowing and lending of large sums daily as inexpedient and unprofitable, tending to impair

the confidence of the banking community in the standing and conservative management of the bank.

It is their opinion that the stockholding banks would prefer a conservative administration, and an approach to absolute security, to the slight profits, if any, arising from this objectionable policy.

#### CAPITAL STOCK.

The board of directors regard it as very desirable that the capital stock of the Bank be increased, as speedily as possible, to at least a million of dollars. The President regards it as "fortunate that the capital is no larger." There has also been as radical a difference of opinion between the President and the other members of the board, as to the policy of keeping specie reserves, as to the duties and responsibilities of the cashier, as well as upon the quality of paper bought by the Bank. The directors regarding the President's administration as marked by an over anxiety to secure dividends to stockholding banks, resulting in the purchase of weaker paper, at higher rates of interest, rather than undoubted bills at the prevailing low rates.

#### DISCOUNTS BY PRESIDENT.

It appears from the record that very large sums, amounting in the aggregate to hundreds of thousands of dollars have been discounted mainly by the President alone, inasmuch as the only consulting director was interested in the paper, and consequently disqualified to act.\*

#### OFFERING BOOK.

The law of the Commonwealth, requiring an offering book to be kept, upon which shall be entered *all* paper offered, whether approved or rejected, has not been complied with for the past three years.

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\*NOTE.—Since the reading of this report in the stockholders' meeting, the director referred to explains, that he did not authorize the use of his name on the record, as approving the paper. It was simply offered by him, which seems to have been construed, (perhaps very properly,) by the President, as a virtual approval. This explanation, while it entirely exonerates the director, does not in the estimation of the committee affect the position of the President.

## CASHIER'S POSITION.

It appears that the cashier has never seen the directors' record; has never read the directors' by-laws, one of which sets forth at great length the duties of his office; and has never been made acquainted in any way with the specific requirements of that law. There is however a positive contradiction on this point, between the president and cashier.

The President states that prior to his engagement, the cashier accompanied him to Lowell, was furnished with a copy of this by-law, and remained during the night. During the conversation, the cashier thought he could do all that was required of him by the by-law.

The cashier, on the contrary states, that he accompanied the president to Lowell, for the purpose of conversation; that he was employed while there in directing circulars; that no draft or copy of the by-law was furnished him, or alluded to in any manner, and that he was at his home in Roxbury at seven o'clock, P. M. As there is no collateral evidence, and inasmuch as the cashier has not, and evidently has not been expected to, perform the duties prescribed by the law, your committee regard it as most probable that his recollections are correct.

The president never consults with the cashier, in regard to loans, discounts, or any other business of the Bank; and in but one single instance, with regard to the appointment of subordinate officers.

It appears, that in an investigation of large losses in the foreign money department, the testimony, the results, and the officers implicated were retained from the knowledge of the cashier. The examination was made by the president, one director and a detective, the assistant book keeper, acting as recording clerk; one other director being present at the close of the investigation.

When withdrawals of deposits from U. S. Sub-Treasury are made, the interest is received in gold. By order of the president the cashier directed the teller to retain the gold "it not being the policy of the Bank to sell specie." Within a few

days this policy was reversed, and notice thereof was communicated through a subordinate officer to the teller, without the knowledge of the cashier, who was only accidentally made aware of it. This course, and the uniform policy of which it is an example, is in the opinion of your committee calculated to unduly lessen the legitimate importance and dignity of the cashier, the president's co-ordinate in the management of the interior affairs of the Bank, and the proper channel through which directions to subordinates should pass.

The exclusion of the cashier from a knowledge of the policy and proceedings of the board of directors, and from the confidence of the president, cannot, your committee believe, be otherwise than injurious to the best interests of the Bank. It appears from the evidence, that had there been a full consultation between the president, cashier and directors, such as exists in nearly all large banks, the heavy losses, amounting to nearly \$35,000, by Noah, Sturtevant & Co., probably would not have occurred.

#### CASHIER'S CHECK.

About three years since, your cashier placed his check, for between two and three hundred dollars, in the sundries of the teller's cash, and drew the amount from the bank, in anticipation of his salary. Your cashier states that this custom had prevailed in the bank where he had been previously employed ; that before doing so, he had consulted the president with regard to its propriety, and received his permission, or approval.

The president states that he simply authorized the cashier to draw against his earned salary, but in advance of the regular day of payment. Finding the check in the teller's drawer, he called the cashier's attention to it, expressed his disapproval, and it was taken up that day. The president stated that there were several checks,—the testimony of the cashier and paying teller agrees, that there was but one.

Your committee regard this practice as highly improper, and liable to great abuse, and that it ought not to be permitted to any officer, under any circumstances whatever.

## CASHIER.

Your Committee think that the cashier ought to be censured, for not enquiring fully as to his duties, and performing them fearlessly and faithfully according to the by-laws. They however bear willing testimony to his faithfulness and industry.

Your committee are only quoting from high authority in saying that the cashier is regarded as the direct guardian and trustee of the stockholders, and if the president or directors attempt to use the funds of the bank, for improper or hazardous purposes, he may authoritatively interfere. He may object to any measures which he may regard as injurious to the character or business of the bank, without endangering the tenure of his office, and without offence to his superiors, and he is their co-ordinate in the administration of affairs.

Situated as your cashier has been, possessing no knowledge of the proceedings of directors, not consulted and rebuffed by the president, when he has tendered even a suggestion, having no access to the records, and in positive ignorance as to his own rights and duties, the stockholders could not of course expect him to represent them, or to do more than faithfully obey the orders of his superiors.

## CHANGES IN CHARTER AND BY-LAWS.

In section 3d, Directors' By-Laws, authority is given to the president and two directors, or to any three directors, to discount paper on Wednesday and Saturday of each week. Also, that discounts may be made at any other time, by said president and directors. Also that the president may make such discounts without such directors, the transaction being of course reported to the next succeeding meeting for discounts.

Your committee urge that this law be amended, by requiring two regular days for discount, and the approval of at least three directors beside the president, to any loans, discounts or investments, prior to the transaction.

It is not to be overlooked that the president of this bank is not, and cannot be a stockholder, except indirectly. That his interest is consequently limited to the salary he receives, and the credit and standing given him by his position. The strong

motive of large personal interest in gains and losses existing in the case of presidents who are, as is usual, large stockholders themselves, cannot exist. The bank is the custodian of the reserves of one hundred and thirty-five New-England banks, and its management cannot in view of the unusually diversified and important interests it represents, be too carefully guarded.

Section 3d of the Charter of the bank requires that there shall not be more than thirteen directors, and that three-fourths of them shall be inhabitants of Massachusetts, consequently the banks of two New-England states must remain unrepresented in the board, as Maine and New-Hampshire now are. To remove this objection, your committee recommend the passage of the annexed resolution.

*Resolved*, That the directors be instructed to petition the general court of the commonwealth of Massachusetts for such an amendment to the charter of the Bank of Mutual Redemption, as shall secure to each of the New-England states one member of the board of direction of said bank.

Your committee also recommend for obvious reasons, the passage of the following resolution :

*Resolved*, That the directors be instructed, in calling the next annual meeting of stockholders to propose such amendment to the by-laws as shall make it the duty of the stockholders committee, provided for in article 2d, to nominate and report to each annual meeting, a list of directors for the year ensuing, of whom at least three shall not have been upon the board of directors for the current year.

#### PRESIDENT.

It is the unanimous conclusion of your committee, based upon the uniform character of the testimony taken, that there has been on the part of the president of the bank, in his intercourse with the cashier and subordinate officers, such unusual reticence, severity of manner and withholding of confidence, as to impair the efficient and harmonious working of the bank.

In his intercourse with the business world, we find a disposition to adhere to technical points of difference, regardless of the irritating nature of the subject, an unvarying disposition to

engage in controversy, and to pursue it to the bitter end, an absence of those amiable qualities, which render the contact of business men agreeable, and hence often profitable.

The absence of a general feeling of friendliness toward the president, which we find prevailing in financial circles has not resulted in profit to the bank, as instanced by the expulsion from, and refusal to re-admit to, the Clearing House Association ; the opposition being, as your committee are assured, not to the bank, but to its president.

It is also the opinion of your committee, that the president has shown a remarkable want of tact, in the organization of the internal machinery of the bank, particularly of the all-important foreign money department, and its connection with the home department.

#### NOMINATION.

In view of the testimony before it, and of the facts which have been developed in this investigation, some of which it might be detrimental to the interests of the Bank, in relation to its claims on over due paper to expose, your committee have come to the unanimous conclusion that it is their duty to recommend a change in the presidency of the Bank.

While freely conceding to the incumbent a marked ability in many respects, they do not hesitate to say that in their opinion the interests of the institution demand his removal.

They have nominated as one of your directors, with the expectation that if chosen he will succeed to the presidency, the HON. WM. D. FORBES, at present, and for the past four years one of the bank commissioners of this state. The remarkable ability shown by him, in connection with the duties of that office, and the unqualified recommendations of many gentlemen of great experience in Bank affairs, as well as long and familiar acquaintance with that gentleman, enabling them to judge of his peculiar fitness for the position, have entirely satisfied us, that in securing his services as president, the bank will be truly fortunate.

In completing the ticket for directors, your committee deem it proper to state that they were informed that Messrs. Farns-

worth and Chapin declined a re-election, and they nominate in place of Mr. Chapin, HORATIO N. CASE, Esq., President of the Pynchon Bank, Springfield, Mass. They have strenuously urged the President of the National Bank of this city, to take the place of Mr. Farnsworth, but he declined on account of prospective absence from the country for a season, and we also failed to induce another director, of the same bank, to accept.

We have, therefore, place upon the ticket a representative of another bank, JOHN N. TURNER, Esq., President of the Elliot Bank.

Thomas W. Peirce, Esq., having declined re-election at the meeting of December 5th, we have placed upon the ticket SAMUEL HALL, Esq., President of the Maverick Bank.

In accordance with your instructions they nominate as Directors for the ensuing year :

FRANKLIN NICHOLS, President, Thames Bank, Norwich, Conn.  
 HENRY P. HICKOK, President, Merchants Bank, Burlington Vt.  
 STEPHEN N. MASON, Director, Globe Bank, Woonsocket, R. I.  
 JOHN GARDNER, Director, Shawmut Bank, Boston, Mass.  
 FRANCIS M. JOHNSON, President, Mount Wollaston Bank, Quincy, Mass.  
 JOHN N. TURNER, President, Eliot Bank, Boston, Mass.  
 HORATIO N. CASE, President, Pynchon Bank, Springfield, Mass.  
 FRANCIS H. DEWEY, Director, Mechanics Bank, Worcester, Mass.  
 ELIJAH W. UPTON, Director, Warren Bank, South Danvers, Mass.  
 JACOB H. LOUD, President, Old Colony Bank, Plymouth, Mass.  
 GEORGE W. THAYER, President, Exchange Bank, Boston, Mass.  
 WILLIAM D. FORBES, Stockholder, Blackstone Bank, Boston, Mass.  
 SAMUEL HALL, President, Maverick Bank, Boston, Mass.

and for a stockholders committee,

JOHN B. PAGE, Vermont.  
 JOHN A. APPLETON, Massachusetts.  
 JOSEPH H. SMITH, New Hampshire.  
 JOSEPH TITCOMB, Maine.  
 E. C. SCRANTON, Connecticut.  
 SETH PADELFORD, Rhode Island.

All of which is respectfully submitted by

JOHN B. PAGE, of Vermont,  
 ISAAC REED, of Maine,  
 W. D. BEASOM, of New Hampshire.  
 A. G. HAMMOND, of Connecticut,  
 R. R. HAZARD, JR., of Rhode Island.  
 WILLIAM B. HALE, } of Massachusetts.  
 C. R. RANSOM, } of Massachusetts. }  
Com-  
mittee.

BOSTON, December 5th, 1862.



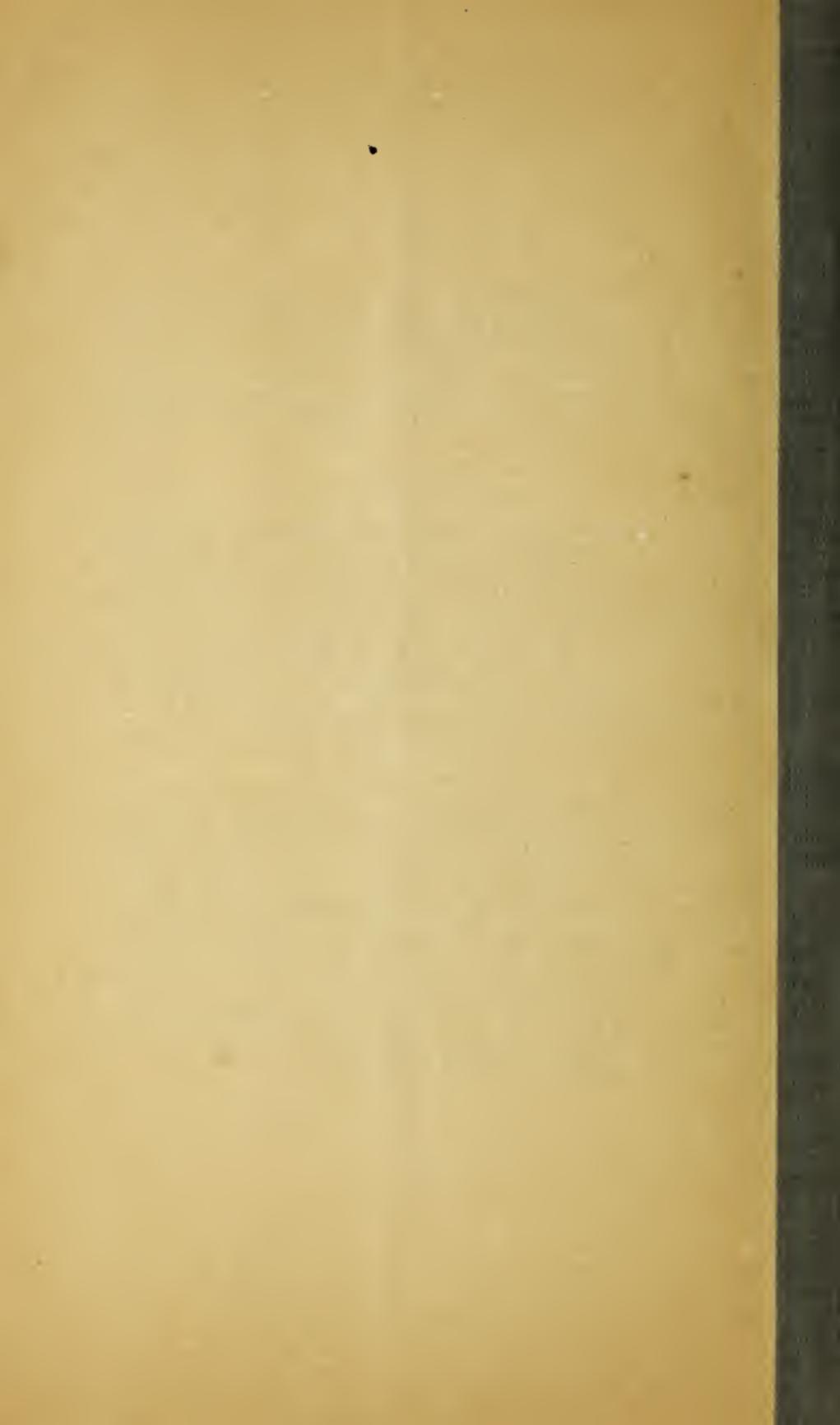
NOTE.—The Stockholding Banks are reminded that their Annual Meeting stands adjourned to Friday, the 9th of January, at 12 o'clock, M. It is important that each Bank should be represented by its delegate, as provided in the following by-laws :

#### ARTICLE VII.

In all cases where the word Stockholder, or Stockholders occurs in these By-Laws, as being present at meetings, it shall be held to mean the Delegate or Delegates representing a stockholding Bank or Banks ; and a copy of the vote of the Directors of the Bank appointing a delegate, attested by the Cashier or President of said Bank, shall be a prima-facie evidence of his right to act and vote for said Bank.

#### ARTICLE XIII.

In all cases where any Bank votes by Delegate, after the choice of the first Board of Directors, or where any act is done or performed by legal representation of any description, the person or persons, proposing so to act, shall before proceeding to act, file with the Cashier documentary evidence satisfactory to the Board of Directors, of such person or persons' authority so to act: provided that the Directors may, under special circumstances, dispense, by vote, with this requirement if, in their judgment, it is expedient to do so.





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